

July 29, 2003 – Second Planning Meeting for the Housing Bond Portion of the Deed Recording Fee

Attendees:

Diana Stites, Kurt Creager – VHA

Julie Desmith – YW Housing

Richard Trefren & Nan Nelson – Home Ownership Center

Trina King - Columbia River Mental Health

Erin Kelleher - ACE

Peggy Sheehan, Samantha Givens, Tom Lasher, Pete Munroe – Clark County

Recap:

The attendees were provided with the notes from the July 10th discussion about the housing bond.

Interlocal Agreement Status:

The interlocal agreement has been signed by several of the cities, including Ridgefield. Battle Ground, LaCenter and Washougal.

Bonding Status:

To date it is anticipated that the County will issue the bonds using their higher bonding capacity, thereby receiving a lower interest rate.

Additional Research:

- **Are non-profit housing developers required to pay property taxes on undeveloped land?**

Peggy contacted Mark Baca, with the state. The property exemption falls under WAC 458-16-560 Housing for Very Low-Income Households. The WAC states that in order to request property tax exemption, the rental housing must be insured, financed, or assisted in whole or in part, through a federal or state housing program administered by CTED or an affordable housing levy authorized under RCW 84.52.105. Therefore, only a project that has all of its funding in place can receive a property tax exemption.

- **Can private activity bonds be used to assist with home ownership?**

The attendees are interested in home ownership for people who are low income. One option is to use private activity bonds to fund this venture. The group decided that homeownership could be pursued as a separate process. This could also be an option to create a land trust.

Bonding funding:

A two-million dollar bond or line of credit will be purchased with a payback of \$250,000 a year for 10 years. Ten percent of the total funding will be used to cover the VHA's administrative costs, including the bond council, appraisals, feasibility studies and other property purchase needs.

The group agreed upon the following:

Property Selection Guidelines

- Zoning must be between R-12 and R-45, or Community Commercial
- Not more than one-half of the properties purchased will be in one community
- No net loss of units
- Must be inside urban growth boundaries
- May be mixed-use/income properties
- Available transit as a goal
- No environmental constraints
- Land is developable – has utilities available
- Maximum size of 3 acres, or if larger, could be developed in phases

Property Purchase Procedures

- The VHA will call for nominations for property to be purchased; this task will include a public advertisement as well as researching the property of interest to local non-profit developers.
- Property can not be linked to any of the stakeholders including the CHRB, County Commissioners, VHA Commissioners or City Council.
- The VHA will then meet with stakeholders to discuss the options and provide input on the properties available.
- The VHA will negotiate an option with the owner to hold the property for 90-120 days before purchase so that a feasibility study can be completed.
- Feasibility Analysis – utilities/environmental/etc.
- Based on the meeting with the stakeholder and the feasibility study, the VHA will determine which property will be purchased, they will advise the City manager or mayor in which the property is located as well as the County Treasurer and/or auditors office and the CHRB.

CHRB Responsibilities

- CHRB, as one of the stakeholders will have the option to participate in any of the meetings.
- CHRB to decide end-user of the property based on the current HOME application process.

Requirements after Award

- Must begin development within four years (construction started or funding committed)
Four years begins with the CHRB Award
Property does not need to be occupied within four years
- Length of Affordability - minimum of 30 years
- End-user to notify neighborhood

Eligible Non-Profits

- Must be incorporated in Washington State
- Must have a track record with one or more housing projects completed and serving low-income (80% or less AMI)
- Must have housing mission